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THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 25, 2009 REPORT NO: 09-013
ATTENTION: Council President and City Council
SUBJECT: Animal Services Contract
REFERENCE: Public Safety and Neighborhood Services Committee Agenda
of March 4, 2009

REQUESTED ACTION: Enter into an agreement with the County of San Diego Department of Animal Services to continue providing all animal services within the City of San Diego to include field enforcement, sheltering, medical services, and dog licensing services for the period of Fiscal Years 2009 through 2013

STAFF RECOMMENDATIONS:

- 1) Authorize the Mayor to execute a contract with the County to continue animal services for the period July 1, 2008 to June 30, 2013.
- 2) Authorize the expenditure of \$6,932,600 for animal services for Fiscal Year 2009.
- 3) Recommend that the County review the current animal services fee schedule for possible rate increases.

SUMMARY:

Animal services can be viewed as three basic functions: protecting people from animals, protecting animals from people, and putting people and animals together for the benefit of both. The County of San Diego has been providing animal services for the City of San Diego since 1971. This action provides for a new five-year agreement for Fiscal Years 2009 through 2013. For the first half of Fiscal Year 2009, the City and County have been operating under conditions contained in the previously expired five-year agreement. This action will authorize the Fiscal Year 2009 expenditure of \$6,932,600 which was approved in the Fiscal Year 2009 budget.

BACKGROUND:

Until Fiscal Year 1999, contract amounts and service levels were negotiated, sometimes for as short a period as three months. Over the years, there were varying levels of satisfaction with the relationship, the level of funding, and the quality of services provided. In 1997, service levels hit a critical low.

1997 – Department of Animal Services Reorganization

In February 1997, the County launched a Zero Based Budgeting (ZBB) strategy to comprehensively review County departments. The Department of Animal Services (DAS) was selected to pioneer the ZBB effort because it had experienced three consecutive years of significant revenue shortfalls with corresponding staff and service cutbacks, considerable customer service complaints, and had one of the highest indirect cost rates of any County department.

In October 1997, the County launched a reorganization plan which included a streamlined licensing function, enhanced automation, and most significantly, a revision of the cost allocation methodology and dog-license revenue projections used in city contracts. The Department's problems were principally a result of the County entering into fixed-cost contracts with client cities, including the City of San Diego, based on revenue projections that were ultimately not attained. Each year that these revenue projections were not met, the County used its own funds to cover the shortfalls. To mitigate the loss, the County cut costs through reduced staff and service levels. Under the reorganization, client cities would be charged for a percentage of services based on their population and service-call volume. That cost would be offset by the actual revenue generated by the respective city. This expense sharing model is still in place.

At the same time the City of San Diego also reorganized its administration of the animal services contract by transferring responsibility to the Police Department. The Police Department was selected because San Diego police officers often work cooperatively with DAS officers on domestic incidents, and because action typically falls to police personnel when animal services are not adequately provided within the community.

As a direct result of this reorganization, over the past ten years there has been a complete turn-around in the relationship, resources, and quality of animal services provided to the City of San Diego. DAS has maintained a high customer service satisfaction rating (4.7 out of 5) and one of the lowest overhead rates (9%) in the County.

1998 – Shelter Construction and Care Improvements

In 1998, a series of newspaper articles was published on the failing condition of County shelters. In response to the public outcry, the City of San Diego and County pledged to provide significantly better animal services and improved facilities, starting with the Central Shelter at Gaines Street.

The Central Shelter had deteriorated to the extent of needing to be completely replaced; adequate and humane animal services could no longer be provided there. The shelter, owned by the City of San Diego and located on City-owned land, was housed in a facility that was not originally designed to shelter animals and had been remodeled and enlarged several times to accommodate the needs and number of animals.

In November 1998, the City and County together convened a panel composed of City and County officials and concerned citizens. Based on the recommendation of that panel, in March 1999, the City Council approved use of the existing site for building a modern and expanded

facility. In June 1999, the City Council approved an \$8 million financing plan, which included \$2 million from the City, \$2 million from the County, \$2 million in private donations, and \$2 million from public fundraising. It also authorized the City Manager to negotiate with the San Diego Humane Society and SPCA (SDHS) for the sale of a portion of the Gaines Street property to allow for co-location of a SDHS facility on the same site. In November 1999, the City Council approved a \$4 million donation – \$2 million each – from Helen K. Copley and Joan Kroc. The pledge agreement between the donors and the City includes clauses that outline specific requirements: operation and maintenance of the shelter for at least twenty years and adoption of a “no-kill” policy. A “no-kill” shelter is basically one where animals are only euthanized if they are too sick to be treated or too aggressive to be suitable for adoption. This policy was consistent with the direction already taken by DAS.

The Kroc-Copely Animal Shelter was opened in May 2003. It was built as a state-of-the-art facility and was the first animal shelter in the nation to be a joint-use campus between a private and a public entity.

2000 – A “No-Kill” Goal

In May 2000, the County Board of Supervisors approved a comprehensive plan to make San Diego a “no-kill” county by 2005. The goal of the plan was to end euthanasia of all adoptable and treatable companion animals by creating a community of good citizens – people and pets. The plan provided a framework to reach this goal and included five regional strategies: educate and inform, promote spaying and neutering, encourage stable homes, increase adoptions, and provide incentives and enforcement. These strategies were developed by a committee composed of representatives of humane sheltering agencies, animal advocacy groups, and animal care professional organizations in the County. Although San Diego is not yet a “no-kill” county, no healthy, friendly animals have had to be euthanized at DAS shelters since Fiscal Year 2003.

2007 – The San Diego Animal Welfare Coalition

In October 2007, public and private animal sheltering organizations in San Diego County formally joined together in cooperative effort called the San Diego Animal Welfare Coalition (SDAWC). The eight organizations are the Chula Vista Animal Care Facility, County of San Diego Department of Animal Services, El Cajon Animal Shelter, Escondido Humane Society, Helen Woodward Animal Center, North County Humane Society and SPCA, Rancho Coastal Humane Society, and the San Diego Humane Society and SPCA.

The Animal Services Contract

The animal services contract, as written, was originally the product of nearly a year of effort by representatives of the County and each of the nine cities then served by DAS. It has remained in-tact and has been reviewed by the City Attorney’s office for this requested action. One of the main purposes of the agreement was to provide a fair, equitable, and transparent means to apportion DAS operational costs between the County and each of the client cities. Another objective, achieved with a multi-year agreement, was to attain a level of stability in funding that would allow the DAS to effectively plan and implement service and capital improvements.

Contract Terms

The net cost for animal services is based on three factors: fixed gross cost, forecasted revenues, and the spay/neuter trust fund.

The gross cost is the total anticipated DAS operating expenditure less certain administrative costs. It is a fixed amount and is distributed based on allocation formula applied to all participants. Fifty percent of the cost is based on population and fifty percent of the cost is based on service demand among the unincorporated County and six current client cities.

COST SHARING METHODOLOGY				
JURISDICTION	50% Cost by Population		50% Cost by Service Calls	
	Population	Percentage Share	Service Calls	Percentage Share
Unincorporated	481,216	23.64%	9,570	30.86%
Carlsbad	101,337	4.98%	1,326	4.28%
Del Mar	4,548	0.22%	83	0.27%
Encinitas	63,259	3.11%	776	2.5%
San Diego	1,316,837	64.68%	18,300	59.01%
Santee	55,158	2.71%	839	2.71%
Solana Beach	13,418	0.66%	120	0.39%
Total	2,035,773	100.00%	31,014	100.00%

The Spay/Neuter trust fund expenditure is based on 5% of the City's projected license fee revenue. These funds may be used only for spay/neuter incentives for residents of the City; any amount not expended during the year is refunded to the City. It is anticipated that the City's Spay/Neuter trust funds will be fully expended before the close of the fiscal year.

The City of San Diego receives a revenue credit for all fees and fines collected by the County from City residents. If the full amount of estimated revenues is not collected, then the City owes the County additional funds. If more revenue is collected than was estimated, then the City receives a refund. At this time, it is anticipated that Fiscal Year 2009 actual revenue will approximately equal the projection of \$1.5 million.

Agreement Renewals

On August 3, 1998, the City Council authorized the City Manager to execute an agreement with the County of San Diego to provide animal services for the five-year period of July 1, 1998 through June 30, 2003 (Document No. RR-290573). On August 4, 2003, a contract extension for the five-year period of July 1, 2003 through June 30, 2008 was authorized (Document No. RR-298276). A new five-year agreement has been reviewed and approved by the City Attorney's Office. There are no significant changes to the contract other than specific inclusion of the City's requirements of a drug-free workplace, ADA certification, and non-discrimination.

Although the City of San Diego and DAS have been officially operating without a formal agreement renewal through the first half of FY 2009, staff from both agencies have been working in conjunction to meet all existing covenants. Delays in entering into the agreement were

primarily attributed to staffing reassignments and a misallocation of budgeted monies. The budgeted dollars for the contract were temporarily reassigned to a different contract and had to be redirected. The necessary funds for the Animal Services contract are 100% funded within the Police Department and were included when the City Council approved the Fiscal Year 2009 General Fund budget.

DISCUSSION:

1. Cost of Services

Based on historical metrics, City of San Diego residents are responsible for approximately 60% of the services performed by DAS, unincorporated County residents are responsible for 30%. The remaining five client cities make up the last 10%.

Fiscal Year 2009 Expenditure

DAS has provided the City of San Diego with a net cost estimate of \$8,401,400 for animal services for Fiscal Year 2009. This is based on a gross cost of \$6,932,600, less projected revenue of \$1,525,800, with an estimated contribution of \$57,000 to the Spay/Neuter Trust Fund. The net amount is a \$788,390 increase over Fiscal Year 2008.

Increases in the City's net cost for Fiscal Year 2009 are largely a result of increases in the DAS budget over the previous fiscal year. It is anticipated that there will be minimal increases in Fiscal Year 2010 for either DAS or the client cities.

COUNTY ANIMAL SERVICES BUDGET SUMMARY	FISCAL YEAR 2009 ADOPTED BUDGET	FISCAL YEAR 2010 APPROVED BUDGET
Staffing	126.00	126.00
Salaries & Benefits	\$10,008,539	\$10,398,624
Services & Supplies	\$4,039,359	\$3,889,314
Capital Assets Equipment	\$185,703	—
Total	\$14,233,601	\$14,287,938

County Animal Services Budget Changes – Fiscal Year 2009 to Fiscal Year 2010:

- Salaries and Benefits: Increase of \$400,000 for an allowance for anticipated wage and benefit adjustments.
- Supplies and Services: Decrease of \$100,000 in Services and Supplies.
- Capital Assets Equipment: Decrease of \$200,000 as a result of completion of onetime-only purchases.

Cost Offset: Reimbursement from State for Mandated Program

California State Assembly Bill SB 1785, also known as the Hayden Act, came into effect in July 1999 and significantly amended California law as it applies to companion animals. Under the then existing law, dogs or cats held by public pounds or shelters could be euthanized after 72 hours of being impounded. The Hayden Act expanded this minimum impound time to four or six business days, and required that the animal be released to a nonprofit animal rescue or adoption organization in certain circumstances. Although this law resulted in significant cost

increases for some shelters, DAS was not dramatically affected, as these more progressive standards were fairly consistent with their current practices. However, each year DAS prepares a claim form for the City of San Diego so that it might recover part of its costs for sheltering animals with longer holding periods. To date, the City has received \$1.79 million in reimbursement from the State, and another \$0.5 million claim was recently submitted for Fiscal Year 2008.

STATE MANDATED PROGRAM 213: ANIMAL ADOPTION		
FISCAL YEAR	PAID TO DATE	CLAIM PENDING
FY 1999	\$59,900	—
FY 2000	\$200,184	—
FY 2001	\$186,869	—
FY 2002	0	—
FY 2003	0	—
FY 2004	Suspended	—
FY 2005	\$438,505	—
FY 2006	\$453,476	—
FY 2007	\$449,476	—
FY 2008		\$505,996

Cost Offset: Volunteers

DAS also uses volunteers extensively in its operations, to offset costs, to involve the community, and to enhance the quality of care provided to shelter animals. It is estimated that in Fiscal Year 2008 the Department received over 26,000 documented hours of volunteer services, and countless hours of free foster care. Based on a hourly rate of \$15, the volunteer services are equal to almost \$400,000 in free labor.

Unshared Cost: Capital Improvements

Over the past several years, the County has made significant capital improvements to the North and South shelters, as well as continued enhancements to the central Kroc-Copley Shelter. Although the North and South shelters serve all the client cities, these capital improvement costs were not shared; they were funded entirely through the County.

The South Shelter has been undergoing a series of improvements since October 2004. Administration building renovations were completed in March 2005, all animal care and housing areas were expanded and improved by February 2008, and medical facilities improvements are expected to be completed by March 2009. The benefits include a reconfigured reception area to provide better customer service and a more welcoming environment; air conditioning, new cages and display features in the cattery; expanded livestock corrals and shade coverings; a rabbit cottage; three interaction yards and a covered patio; resurfaced kennel roofs and a misting system to control heat; and medical facilities that will allow staff to perform in-house spay/neuter surgeries. When renovations are complete, it is estimated that the County of San Diego will have

expended \$2.5 million for the renovations at the South Shelter. Residents in the southern portions of the City of San Diego will be able to enjoy the conveniences of these improvements.

The new North Shelter opened in July 2005. The 25,500 square foot facility was built on the site of the former shelter in Carlsbad and cost \$6.8 million. The site was enlarged from 2.4 acres to 4.4 acres to accommodate more parking and animal exercise areas, including a walking track. There are grooming facilities, behavior-evaluation areas, three indoor adoption interaction rooms, three outdoor adoption interaction/exercise areas, and a community meeting room. The modern medical center includes a surgical suite and exam room, triage, preparation, recovery and isolation rooms, and X-ray facilities. Special features of the facility are a holding area with a separate entrance for use by the nonprofit Project Wildlife rescue organization, and a separate area for animals and evidence being held for abuse or neglect investigations.

Recent improvements to the Kroc-Copley Shelter are a new \$76,000 surgical suite and larger cat cages.

2. Scope of Animal Services provided to City of San Diego

The Department of Animal Services protects the public from dangerous animals, protects animals from abuse and neglect and rescues thousands of unwanted, abandoned, or lost pets each year. These actions are performed under a variety of services that would fall to City of San Diego personnel without this agreement.

Field Services

DAS Animal Control officers are authorized to investigate possible animal related law violations and take appropriate enforcement action. Each year officers conduct thousands of investigations, ranging from relatively minor code violations to felony animal cruelty cases. In some cases, officers may promote voluntary compliance by educating owners about their animal care responsibilities; other situations may warrant administrative action and/or an arrest and criminal prosecution. DAS officers also inspect and license all commercial and non-commercial dog kennels. Using DAS officers allows San Diego Police officers to focus on non-animal related public safety issues.

Disaster Preparedness and Emergency Response

DAS officers rescue animals that are stray, sick or injured, or endangered by floods, wildfires, or other emergency situations. DAS is the lead agency for any disaster that impacts animals in San Diego County and the City of San Diego, and has a comprehensive Operational Area Emergency Plan and Continuity of Operations Plan. The Department maintains a "Strike Team" of specially trained officers who can respond rapidly to disasters and assist in the rescue of displaced domestic pets and livestock.

DAS officers evacuated hundreds of animals during the 2003 and 2007 wildfires and provided shelter and housing for thousands of those animals at numerous sheltering locations including Qualcomm Stadium and the Del Mar Fairgrounds. DAS officers also were on scene for the first several days of the La Jolla landslide, entering residences to rescue animals or provide food and water until the property owners were allowed back into the residence. DAS officers also evacuated and housed horses during the December 2008 Tijuana River Valley flood.

Rabies Vaccination and Licensing

DAS investigates all animal bites and human exposures to rabies, provides low-cost rabies vaccinations, and processes licenses for dogs. Rabies vaccination of dogs (a prerequisite for licensing) has been highly effective as an animal and public health measure, and is especially important in areas like San Diego where the potential threat of exposure to rabies from wildlife is a significant concern. The owner of every dog over the age of four months is required by law to ensure their pet is currently vaccinated against rabies and licensed. Dog license tags provide a uniform system of identification, as well as a visible means of ensuring that an animal has been vaccinated against rabies. DAS provides on-line licensing services, "One-Stop" vaccination and licensing through local veterinarians; and low-cost "Rabies Vaccination and Dog Licensing Clinics" are held weekly at each shelter and throughout the year at various locations.

Sheltering and Veterinary Medical Services

DAS operates three shelters which house and provide humane and sanitary care for impounded, stray, abandoned, lost and homeless animals while they await reclaim or adoption. Veterinary medical services include on-site veterinarians, 24-hour emergency medical treatment for injured animals, inoculations for impounded animals, and management of quarantined biter animals.

Lost and Found

DAS assists individuals who have lost or found a pet with tips, fliers, and logs at all three shelters. Verbal descriptions of found animals are available 24-hours-a-day via an automated, voice-recognition telephone system, as well as descriptions and digital photographs of all found animals on the website. To further increase the chance of lost animals being quickly reunited with their owners, any animal adopted from the County shelters, and virtually all lost pets reclaimed by their owners, are implanted with microchip identification. DAS also offers low-cost microchip pet identification and registration at all Department-sponsored rabies vaccination and dog licensing clinics.

Adoption

A primary objective of DAS is to place sheltered animals in new permanent, responsible, loving homes. To ensure the best fit between human and animal companions, adoption counselors screen applicants, conduct interactions between potential adopters and dogs and cats, assist with the adoption process, and provide adopters with written and video information on pet care and responsible ownership.

Spay/Neuter Initiatives

DAS educates the community on pet overpopulation, and provides low-cost neuter/spay assistance. To reduce the intake of sheltered animals, DAS has implemented numerous initiatives that provide incentives to control pet reproduction. Direct financial assistance, in the form of rebate coupons, is provided to pet owners who choose to have their pet sterilized by a private veterinarian. DAS also has negotiated agreements with local veterinary clinics to perform spay or neuter surgeries at or below specified fees, in return for direct referrals and listing on the DAS website. Additionally, DAS refers eligible pet owners to local organizations that can provide additional assistance, such as Pet Assistance Foundation, the Feral Cat Coalition, and the Spay/Neuter Action Project (SNAP). SNAP operates the "Neuter Scooter," a

mobile surgical facility that offers subsidized pet sterilization services to low-income owners in various regional neighborhoods.

Public Education

DAS provides education to the community on a variety of animal issues, but a primary focus is bite prevention. Animal Control officers visit classrooms throughout the year to teach children how to act safely in situations involving dogs. The program consists of lesson plans, reproducible worksheets, coloring pages, and an award-winning dog bite prevention video. Animal Control officers also provide bite-prevention training for employees at the Post Office, UPS, and various county and city departments. Participants are instructed on how to stay safe when entering private properties and what to do when confronted by dangerous and vicious dogs in the performance of their duties.

3. Performance History

Performance metrics are a critical tool in evaluating the value of the animal services contract to the City of San Diego. Significant improvements in animal services over the past ten years to City of San Diego residents are well illustrated in overall DAS performance statistics.

DAS regularly reports various service-level indicators for its client cities. These include response rates to service requests, and impound/disposition data. Performance across all indicators has steadily improved over the past ten years for the City of San Diego.

- Improvement in on-time response rates for all four levels of patrol response over the last ten years.

SERVICE REQUESTS		FY 1998	FY 2003	FY 2008
PRIORITY 1 Within 1 hour	Number	2,791	2,766	3,313
	% Timely	88.8%	94.4%	95.4%
PRIORITY 2 Within 12 hours	Number	2,736	2,303	3,038
	% Timely	83.0%	96.6%	97.1%
PRIORITY 3 Within 24 hours	Number	13,088	10,267	11,366
	% Timely	60.4%	84.3%	88.2%
PRIORITY 4 Within 72 hours	Number	80	780	351
	% Timely	68.5%	91.7%	97.3%

- A 47% increase in adoption. In Fiscal Year 1998 the adoption rate was 22% relative to impounds, in Fiscal Year 2008 the rate was 43% relative to impounds. In Fiscal Year 2008, 5,604 animals were adopted by City of San Diego residents.
- A 54% drop in euthanasia. In Fiscal Year 1998 the euthanasia rate was 62% relative to impounds, in Fiscal Year 2008 the rate was 33% relative to impounds.

IMPOUNDS/DISPOSITION		FY 1998	FY 2003	FY 2008
IMPOUNDED	Total	18,410	16,085	15,718
CLAIMED	Number	2,229	2,398	2,394
	Percentage	12.8%	18.1%	18.5%
ADOPTED	Number	3,822	4,751	5,604
	Percentage	21.9%	35.9%	43.3%
EUTHANIZED	Number	10,744	5,846	4,958
	Percentage	61.6%	44.2%	38.3%

Asilomar "Live Release Rate" Statistics

In August 2004, a group of animal welfare professionals convened at the Asilomar Conference Grounds to build bridges across varying philosophies, develop relationships, and create goals focused on ending the killing of healthy and treatable shelter dogs and cats in the United States. The outcome of the meeting was the Asilomar Accords, which include a set of guiding principles, standardized definitions, a statistics table for tracking shelter populations and a formula for determining shelter live release rates. The purpose of the definitions, table, and live release rate formula is to produce a uniform system so that shelters and other stakeholders can get a better understanding of lifesaving progress nationwide.

The live release rate is basically the percentage of animals that leave shelters alive. The Department of Animal Services and its shelter partners have some of the best live release rates in the country. According to the most recent data from the National Council on Pet Population Study and Policy Shelter Statistics Survey, the San Diego region (across all shelters) has a 76% live release rate as compared to a national average live release rate of 36%. Typically, the percentage will be lower in open-admission shelters, like the DAS, which take in every animal regardless of health, age or behavior, than in limited-admission shelters, which take in animal relinquishments and healthy transfers.

ANNUAL LIVE RELEASE RATE/PERCENTAGE				
FISCAL YEAR 2007	DOG	CAT	OTHERS	TOTAL
County of San Diego	79%	57%	81%	70%
San Diego Animal Welfare Coalition	85%	64%	89%	76%

Accomplishments and Awards

The San Diego metropolitan area is considered one of the best places in the nation to be a companion animal due to widespread public support for animal issues. The long-term commitment of the City of San Diego and other client cities has supported DAS in some notable achievements over the past ten years.

- Enhanced veterinary care is now provided for shelter animals. In Fiscal Year 1998 there was no full-time veterinary staff. Currently there are three full-time veterinarians and nine full-time Registered Veterinary Technicians on staff, as well as new diagnostic equipment and improved medical facilities.
- The Dangerous Dog Task Force was established in response to an increase in repeat offenders and substantial injuries. The Department's landmark administrative hearing process for the regulation of dangerous dogs has helped achieve a 10% reduction in dog-bite incidents since 1998. Every one of the Department's hearing processes and decisions has been upheld by the Courts.
- As a result of greater collaboration with local law enforcement agencies and prosecutors, there have been a number of well-publicized animal cruelty seizures and convictions, including the biggest cockfighting bust in U.S. history.
- DAS has received national recognition and commendations for its expertise in disaster preparedness and response.
- In 2007, Dog Fancy magazine chose San Diego as the most dog friendly city in the country, due in part to its "cutting-edge shelters."

Successful Partnerships

Developing and maintaining partnerships has been essential to the success of DAS. Partners include the City of San Diego and other client cities; Border Patrol and other law enforcement agencies; the San Diego County Veterinary Medical Association and individual veterinarians; breeders and other commercial entities; SDHS and other regional shelters; FOCAS, Shelter Pet Partners and other rescue organizations; individual volunteers; and members of the public. Some examples include:

- A joint effort with U.S. Customs and Border Patrol called the "Border Puppy Task Force," initiated to halt the transport of puppies illegally smuggled from Mexico.
- A key role in "Project Safe House" which helps victims of domestic violence leave abusive situations without leaving their pets behind.
- A participant in "Bark in the Park," an event held at Dusty Rhodes Dog Park in Ocean Beach and organized by the Cabrillo, Del Sur and Bahia Sur Kennel Clubs. DAS offered a low-cost rabies vaccinations, dog licenses, microchipping, and coupons redeemable for spay/neuter services.
- A contributor to the San Diego Homeless Coalition's "Project Homeless Connect." DAS staff provided wellness exams and vaccinations, rabies vaccinations, dog licenses and microchips to numerous pets of the homeless.

4. Animal Services Options

The City of San Diego is responsible for providing its residents with animal services. Some of these functions are legally mandated; cities are obligated to maintain a pound system and a rabies control program, and provide dog vaccination clinics at strategic locations, per the California Health and Safety Code. Numerous other laws relating to altering, animal control, euthanasia, disposition, fees, holding periods, humane treatment and veterinary care, kennels, noticing, recordkeeping, and reporting also apply.

The City of San Diego can either perform its own animal services or can contract, in whole or in part, with any other public or private entity interested in providing those services.

Option 1. Continue agreement for Animal Service Provided by the County of San Diego

The County of San Diego currently provides comprehensive animal services to the City of San Diego and five other cities in the region: Carlsbad, Del Mar, Encinitas, Santee, Solana Beach. The cost of operation for Fiscal Year 2009 is shared between the benefitting entities.

JOINT OPERATING AND FINANCIAL PLAN		
50% Population and 50% Requests	PERCENTAGE	AMOUNT
Total Projected Operating Costs		\$14,461,787
Total Non-Shared Costs		\$877,232
Total Shared Costs		\$13,584,555
County Shared Cost	27.25%	\$3,701,454
County Total Costs		\$4,578,686
City of San Diego Shared Costs	61.84%	\$8,401,400
Other Cities Shared Costs	10.91%	\$1,481,701

Option 2. Animal Services Provided by the City of San Diego

City staff periodically examines if it would be more cost-effective for the City of San Diego to provide its own animal services, although no formal report has been compiled since the last contract renewal. There are a number of critical factors including start-up costs, on-going operational costs, costs of long-term pension obligations, customer service impacts (particularly if a reduced scope of service were to be provided), and the learning curve inherent to any new operation.

Start-up cost is the most significant hurdle. This would include administrative support, personnel recruitment and training, computers and system development, other equipment outlay, vehicles, and a public information campaign.

The Central Shelter is the only DAS facility located on City property. It was reconstructed as a joint effort by the City and County and separation could be complicated as the County owns a 25% share of the facility. Currently, City of San Diego residents use all three County shelters: the Central Shelter, the South Shelter in Bonita, and the North Shelter in Carlsbad. There would be a substantial reduction in operational efficiency unless additional shelters were established in

the northern and southern areas of the City of San Diego. If suitable property were located, the cost of construction is roughly estimated at \$10 million each.

Operating costs would also be significant. The County's Fiscal Year 2009 Budget for Animal Services is over \$14 million with a staff of 126.00 FTE. Assuming an average salary of \$55,000, the estimated annual personnel expense for a City operated Animal Services department would be approximately \$6.0 million. This is based on the City's share of roughly 60% of the staff (76.00 FTEs). Non-personnel expense for facilities, fleet, information technology, etc. would all be additional expenses required for operations.

As the County currently absorbs some its overhead costs and potential pension obligations, those costs would instead be borne by the City. There would also likely be some diminished economies of scale in areas such as purchasing and promotion.

The City's inexperience in animal services would likely result in less operational efficiency during the transition and development of a new program. There would also be some inefficiency due to a more localized (versus regional) approach to a transient regional population. This problem could be reduced if the County and other jurisdictions establish a cooperative computer database and licensing system for dogs.

An additional possibility, which has not been further investigated by staff, would have the City provide contracted services to other cities to mitigate some lost economies since the City already comprises 60% of the DAS service area. This scenario would also need to assume that other cities desire to change their current animal service arrangements.

Option 3. Animal Service by Other Outside Providers

There are five entities in the San Diego region that provide animal services to other municipalities: Chula Vista provides for Imperial Beach, Lemon Grove and National City; El Cajon provides for La Mesa; the Escondido Humane Society provides for Poway and San Marcos; and the North County Humane Society and SPCA provides for Oceanside and Vista. The County provides services for the remaining cities (except Coronado) and the unincorporated area.

The City last issued a Request for Proposal for animal services in Fiscal Year 1995, and upon extensive review, the County was retained as the service provider. No other entities, public or private, have expressed an interest in providing comprehensive animal services for the City in recent years due to the volume of effort required with the City's population. Since the City boundaries stretch from the Mexican border to the boundaries of the City of Escondido, the ability to cover such a large area would be a logistical problem for one of the regions' smaller cities or a private organization.

Staff has not actively investigated if any other entity would provide specific services (such as sheltering) for the City, or full services for specific areas of the City (such as southern District 8). Although many animal service functions are legally regulated, there is considerable variation in operations, service levels, and fee structures between local entities. Parsing services between multiple providers has been determined to be prohibitively inefficient and inequitable. As

witnessed through recent news reports, a regional city has experienced difficulties with their animal services using a third party agreement.

The San Diego Police Department has obtained a sole-source authorization for County animal services as approved by the City Purchasing Agent. This option was selected because of the continued partnership with the Department of Animal Services and the volume of effort otherwise required to provide these services by City personnel.

5. Revenue Enhancement Options

Although the City is responsible for paying its fair percentage of the animal services gross costs, that amount is offset by the actual amount of revenue the County collects on behalf of the City from fines and fees. As the City is directly responsible for its revenue rate, the City could reduce its net cost for animal services through fees. There are two means of revenue enhancement potentially available to the City: increase fee rates or increase the volume of fees collected.

Increase Fee Rates

In July 2003, The County Board of Supervisors effected modest fee increases for dog licenses and animal adoptions. Most fees had not been raised for more than a decade, and these increases (approximately 20% for dog licenses and 15% for adoptions) brought County fees closer to parity with fees charged by other local jurisdictions. In October 2006, dog licensing and various other animal control fees (not including adoption fees) were further adjusted. The current County fee schedule is summarized below.

DOG LICENSE FEE SCHEDULE		
LICENSE DURATION	ALTERED	UNALTERED
12-Month	\$14	\$30
24-Month	\$26	\$52
36-Month	\$36	\$72

ADOPTION FEE SCHEDULE	
ANIMAL/ADOPTER	FEE
Puppy or Dog	\$69
Kitten or Cat	\$58
Rabbit	\$28
Senior Dog or Cat (Over five years)	\$35
Senior/Disabled Citizen (For Dog or Cat)	\$35

The City of San Diego has a fee schedule identical to the County's; varying rates between the County and City could be confusing to residents and prohibitively difficult for DAS to administer. Municipal Code Section 44.0300, "San Diego County Animal Control Ordinance – Adoption by Reference," cites County Code Section 62.603, the relevant section on fees. This

reference ensures that the City of San Diego will automatically maintain a fee schedule consistent with the County and other client cities.

As the fee schedule has not been revised in three years, it is recommended that the City request the County review the current rates, and propose and consider an increase to the fee amounts.

Increase Fee Volume

Since 1998, there have been some significant improvements in the public's performance with regard to animal services. There are legally mandated price incentives for altering companion animals, as well as discounts for longer-term license purchases. There are, however, optional fees that could be more actively promoted, specifically adoption, microchipping, and spay/neuter fees.

The City is also not receiving a large volume of fees already due from residents. Dog licensing compliance in the City is estimated to be only 30 to 35 percent; approximately 5% below the San Diego regional average. In fact, the number of licenses sold in the City of San Diego has gone down in the past ten years.

LICENSES SOLD		FY 1998	FY 2003	FY 2008
LICENSES	Total	49,075	44,100	43,719
ALTERED	Number	35,285	33,488	34,387
	Percentage	72%	76%	79%
UNALTERED	Number	13,790	10,612	9,332
	Percentage	28%	24%	21%
	Percentage	17%	17%	16%

Adoption Incentives

DAS adoption fees include the cost of required surgical sterilization of the animal or a refundable spay/neuter voucher, as well as vaccinations, microchipping and other medical services. In addition, a one-year free license for dogs residing within the DAS service area is included in the adoption fee.

DAS has developed a number of programs to encourage the public to adopt shelter animals. For example, the "Better with a Buddy" incentive is for kittens under 6 months of age. Residents can adopt one kitten at the full price of \$58 and adopt a second kitten at half price.

DAS has made it easy for responsible citizens to adopt a shelter pet.

- The website includes a "thumbnail" photograph format for quick viewing of all available animals at any of the three County shelters. There have been almost 2.7 million visitors to the DAS Adoption website since June 1998.
- A printable version of the adoption application is available on-line so potential adopters can complete it in advance of visiting the shelter.
- Adoption gift certificates are available for purchase at all shelter locations.

Microchipping Incentives

Microchipping is a safe, simple, permanent, and proven form of pet identification designed to quickly identify lost pets and reunite them with their owners. Nationally, it is estimated that over 10 million pets become lost each year and 1 out of every 3 pets is lost during its lifetime, while only 1 in 10 lost pets is found. A microchip is a transponder that contains a unique ID code capable of being read by hand-held scanners used by animal shelters.

Spay/Neuter Incentive Program (SNIP)

SNIP promotes the altering and microchipping of impounded pets. For \$65, DAS will spay or neuter the dog, administer all vaccinations, implant a microchip and provide a free dog license for one year. If an intact animal is impounded running at large for the second time or more, an additional \$120 "Impact Fee" is added to the reclaim amount. As a monetary incentive, DAS will waive all other fees if the owner chooses to SNIP the pet.

Dog Licensing Incentives

Dog owners who fail to comply with rabies vaccination or licensing requirements are subject to costly penalties. Fines and fees collected within City of San Diego boundaries help to offset the City's expenses for animal services. DAS has developed a number of additional incentives to encourage the public to license their dogs.

- Finders of licensed dogs can access owner information 24 hours per day, 365 days per year by telephone and website.
- If a licensed dog becomes lost and is impounded by an Animal Control Officer, the pet can be returned to the owner under a "Home Delivery" program.
- Owners of dogs that are spayed or neutered are eligible for a one-time one-year free dog license, and renewal licenses for altered dogs are less than 50% of the regular price.

Other Fines and Fees

DAS is currently working in partnership with the City Attorney's Office to develop a three-hour violator school – like traffic school – for all animal regulatory violations (e.g., off-leash, dog bite, and minor neglect). It is anticipated that the "Responsible Dog Ownership" class will help to educate residents, recover some costs of patrol and investigation through a course fee, and reduce the workload for City Attorneys on these types of cases.

City of San Diego Initiatives

Two options available to the City to increase licensing compliance are a public information campaign (e.g., dog park outreach, public service announcements and water bill inserts) and enforcement through door-to-door canvassing. Although both these methods would require additional cost by the City, the expense may be fully offset by increased revenue. It should be noted, however, that the canvassing programs previously implemented by both the City and County were discontinued in 1998 as a result of citizen objections and limited effectiveness.

Current Economic Conditions

The current economy and dampened consumer confidence have resulted in reduced consumer spending, which has extended to pets and related goods and services, including veterinary care. Coupled with the rise in foreclosures, animal shelters throughout the country are experiencing an increase in relinquishment, neglect and abandonment, and a decrease in adoptions.

DAS has also been impacted, and there are concerns that the shelters could approach the point where healthy, friendly animals would need to be euthanized. Cat intakes have increased, intakes with treatable medical conditions have increased, cat adoptions have decreased, and fewer dogs have been claimed than in the previous year. Fortunately, however, this trend appears to have stabilized in recent months.

6. Comprehensive Audit

On an annual basis, the County audits its financial records and reconciles any accounting discrepancies. In the past, the City Auditor has performed periodic review of DAS expenditure, revenue and performance records. However, due to staffing limitations, no formal audit has been performed by the City since 2000. A comprehensive audit of DAS is scheduled to be performed by the City Auditors' Office in Fiscal Year 2009, to confirm proper performance or reveal any need for change.

In 2005, the San Diego County Grand Jury determined that a review of the County animal facilities was overdue. In their summary report, the Grand Jury found that all three County animal shelters:

"...utilize techniques that constantly improve the well being of San Diego's animal population. Whether by accident, sickness, or cruelty, animals often end up without proper care and feeding. Thanks to the hard work, knowledge and caring of the County shelters' staff and volunteers the mission of the Department of Animal Services to protect the health, safety and welfare of people and animals is being fulfilled."

The Grand Jury's report further stated:

"There is no magic formula for turning things around. A combination of elements – cooperation, grass-roots efforts, government support, money, patience, persistence and a whole lot of ingenuity – have gone into San Diego County's animal programs. County of San Diego Animal Services is to be commended for its progressive attitudes. The effectiveness of their model program has transformed San Diego County into one of the safest in the country for abandoned animals."

CONCLUSION

City staff continues to be satisfied with the services that it has received from the Department of Animal Services during the past two contract periods. Service complaints from City of San Diego residents are rare and are handled effectively. Net costs for services have steadily increased but are well-documented and consistent with reasonable and expected revenues and operational expenses. Policies and practices are in keeping with long-term performance goals and objectives established by both the City and County. The agreement with the Department of Animal Services is consistent with the City's goal of maximizing resources through the most effective delivery of services. City staff will continue to work with the County to insure contract expenses are controlled and service metrics are met.

FISCAL CONSIDERATIONS: The City's Fiscal Year 2009 Budget includes \$6,945,000 appropriated in the Police Department for payment of the animal services contract. The contract amount estimated for Fiscal Year 2009 is \$6,932,600. This net cost is based on a fixed gross cost of \$8,401,400, less forecasted revenues of \$1,525,800, and spay/neuter program financing of \$57,000.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On August 3, 1998, the City Council authorized the City Manager to execute an agreement with the County of San Diego to provide animal services for the five-year period of July 1, 1998 through June 30, 2003 (Document No. RR-290573). On August 4, 2003, a contract extension for the five-year period of July 1, 2003 through June 30, 2008 was authorized (Document No. RR-298276).

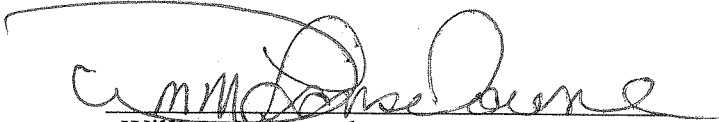
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

No public outreach has been conducted as staff is recommending continuing animal services as currently provided. If Council determines that a different approach is warranted, then extensive community outreach will be required.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include all residents in the City of San Diego that own any type of animal regardless of licensing requirements. Also, any resident of the City of San Diego that has a concern or issue with animals or custodians of animals. Additionally, the members of the San Diego Animal Welfare Coalition, which include the Chula Vista Animal Care Facility, County of San Diego Department of Animal Services, El Cajon Animal Shelter, Escondido Humane Society, Helen Woodward Animal Center, North County Humane Society and SPCA, Rancho Coastal Humane Society, and the San Diego Humane Society and SPCA. This group focuses on the overall wellbeing of animals throughout San Diego County.

Respectfully submitted,



William M. Lansdowne
Chief of Police

LANSDOWNE/rv

Attachment:

1. Agreement between City of San Diego and County of San Diego for Animal Control Services.

AGREEMENT BETWEEN CITY OF
SAN DIEGO AND COUNTY OF
SAN DIEGO FOR ANIMAL CONTROL SERVICES

THIS AGREEMENT made and entered into this ____ day of _____, 20____,
between the County of San Diego, a political subdivision of the State of California
("COUNTY") and the City of San Diego, a chartered municipal corporation ("CITY").

WITNESSETH

WHEREAS, CITY is a chartered municipal corporation of the State of California
within the County of San Diego and desires to obtain animal control services from
COUNTY; AND

WHEREAS, COUNTY is a political subdivision of the State of California and
through its Department of Animal Services ("ANIMAL SERVICES"), desires to provide
animal control services to CITY; and

WHEREAS, Section 500.4 of the Charter of the County of San Diego and
sections 51300 et seq. of the Government Code authorize COUNTY and CITY to
contract for the performance of animal control services within CITY.

NOW, THEREFORE, in consideration of the mutual promises contained herein
and other valuable consideration, the receipt and sufficiency are hereby acknowledged,
CITY AND COUNTY agree as follows:

SECTION 1
TERM OF AGREEMENT

1. This Agreement shall take effect July 1, 2008 and shall terminate on June
30, 2013 unless terminated sooner as provided for herein. The agreement may be
extended beyond June 30, 2013 for additional five-year terms with written consent of the
parties, subject to approval by the City of San Diego City Council in accordance with San
Diego City Charter section 99.

SECTION 2
DEFINITIONS

For purposes of this Agreement, the words listed below shall have the definitions
as indicated.

1. The term "CITY" means the City of San Diego.
2. The term "Director" means the Director of the County Department of
Animal Services.

3. The term "Fiscal Year" means the 12-month period beginning on July 1 and ending the following year on June 30.

4. The term "Population" means the State Department of Finance's estimate of each jurisdiction's most recent January population.

5. The term "Requests for Service" means specific requests from CITY representatives or individual residents of the CITY for action or response by an Animal Control Field Officer, as well as actions by Animal Control Officers to enforce animal related laws based on the observations of Animal Control Officers.

6. The term "on-site veterinarian services" means emergency triage care; the diagnosis and treatment of acute injuries and illnesses; the treatment of chronic illnesses and injuries to the extent that the animals are kept comfortable; the prescribing of analgesics to alleviate pain; and the spaying and neutering of adoption animals.

7. The term "dangerous dog" has the same meaning as the term is defined under section 62.601 of the San Diego County Code of Regulatory Ordinances.

SECTION 3 SCOPE OF SERVICE

1. COUNTY, through ANIMAL SERVICES, shall provide general animal control services within the corporate limits of CITY to the extent and in the manner hereinafter set forth.

2. Such services shall be defined as those duties and functions of the type coming within the jurisdiction of and customarily rendered by ANIMAL SERVICES under the County of San Diego Code of Regulatory Ordinances and the statutes of the State of California. In providing services to CITY, COUNTY shall make its best efforts to achieve service responses/service goals as defined in Section 5. The Director shall have discretion in determining how the level of service shall be achieved by COUNTY. CITY may provide input to the Director on the manner in which services are provided to CITY.

SECTION 4 LEVELS OF SERVICES

1. ANIMAL SERVICES shall provide the following animal control services, unless the parties to this Agreement agree in writing to any changes in the provision of such services:

A. Shelter Management Services:

(1) Operate, 24 hours per day, seven days per week, a holding shelter for the feeding and care of CITY's lost, abandoned and impounded animals. COUNTY will operate two holding shelters outside of CITY and one shelter within CITY. One shelter will be located in the north San Diego County region and another shelter will be located in the south San Diego County region. COUNTY may, in its discretion, open additional holding shelters to meet future animal control shelter needs. At the Director's discretion, the shelter nearest to CITY shall provide for the feeding and care of CITY's lost abandoned and impounded animals. If extraordinary circumstances arise that require the placement of CITY animals in a shelter other than a shelter nearest to CITY, COUNTY shall notify CITY of this fact. The shelters shall maintain on-site veterinarian services.

(2) COUNTY shall maintain its shelters in a humane manner and shall keep its shelters in a sanitary condition at all times. All services furnished by the COUNTY's shelters shall be provided in accordance with applicable state and local laws. COUNTY shall use humane methods in the care and disposition of any animal coming under its jurisdiction.

(3) COUNTY shall provide public access to shelters a minimum of 5 days per week (40 hours per week), which shall include at least one weekend day, for adoption services, humane euthanasia of animals, public nuisance hearings, general impoundment and dangerous dog hearings. In establishing the days and times for public access to shelters, the public interest and customer service shall be a primary consideration.

B. Field Services:

COUNTY will provide the following Field Services for CITY:

- (1) rescue injured animals and reptiles in CITY;
- (2) pickup and impound stray animals and reptiles in CITY;
- (3) quarantine biter animals that are in CITY;
- (4) investigate reports of dangerous dogs in CITY;
- (5) respond to requests for service and, when required, issue citations for violations of local and state laws that occur within CITY'S jurisdiction;
- (6) investigate matters that occur within CITY's jurisdiction regarding cruelty or neglect to animals;
- (7) return lost dogs found in CITY to their owners in the field, if possible;
- (8) present cases involving violations of animal-related laws that occur in CITY to the District Attorney or City Attorney for prosecution; and
- (9) investigate and license kennels (as defined in San Diego Code of Regulatory Ordinances, section 62.601) located in CITY.

C. Licensing Services:

- (1) maintain files of dog licenses and dog licenses that have expired and the owners of these dogs who live in CITY's jurisdiction;

- (2) issue new and renewed licenses to dog license applicants within CITY's jurisdiction;
- (3) conduct follow-up enforcement of vaccinated but unlicensed dogs and unvaccinated and unlicensed dogs within CITY's jurisdiction. Such enforcement efforts shall include, but are not limited to, written correspondence and telephone communication with dog owners;
- (4) with CITY, jointly organize and fund rabies vaccination clinics for animal owners residing within CITY, which may be held at least annually within CITY or within close proximity of CITY. Joint funding by CITY and COUNTY may include provision of services or funds. Prior to commencement of rabies vaccination clinics, COUNTY and CITY shall agree as to the level of funding or scope of services each party shall contribute for the operation of the rabies vaccination clinics;
- (5) provide computer support for services provided to CITY under this Agreement; and
- (6) Provide dog owners with reasonable advance notice of the need for license renewals prior to expiration of existing license.

D. Veterinary Medical Services:

- (1) maintain on-site veterinarian services at shelters;
- (2) contract for 24-hour emergency medical treatment for injured animals;
- (3) inoculate animals in care of ANIMAL SERVICES;
- (4) develop rabies control resources information for CITY; and
- (5) monitor quarantined biter animals.

E. Dead animal pick-up services are specifically excluded from this Agreement.

F. COUNTY, with cooperation from CITY, shall develop and implement a marketing plan to encourage citizen participation in ANIMAL SERVICES' programs and services. Such marketing plan may include, but is not limited to, encouraging responsible pet ownership including licensing and compliance with pet-related laws, adoption of shelter animals, rabies vaccination and spaying and neutering of animals. Such marketing plan may also include a public-private partnership with private entities to jointly market ANIMAL SERVICES' programs and services. Such marketing program shall include recommendations made by the Ad Hoc Committee described in Section 13.

G. Upon written request by CITY, COUNTY may provide additional services not included in Section 4, paragraph A through F or may increase the level of existing services specified in Section 4, paragraph A through F. The nature, scope and cost of such additional services and/or increased level of services shall be mutually defined and made a part of this Agreement under the Joint Operating and Financial Plan, as described in Section 6, upon approval of COUNTY and CITY.

H. COUNTY shall be excused from performance of its obligations under this Agreement to the extent that it is prevented from performing any services as a result of delays caused by an act of God, war, civil disturbance, court order, governmental action, laws, orders, or as a result of events such as public enemies, fires, earthquakes, floods, strikes or other labor disturbances of COUNTY or CITY, or other cause beyond its reasonable control that could not have been prevented by reasonable precautions, and, except as set forth herein, such nonperformance shall not be a default hereunder or a ground for termination. If COUNTY'S cost of providing services to CITY decreases as a result of the above, CITY may be entitled to a proportionate reduction in the cost of services for the period of time in which services were not provided.

SECTION 5 SERVICE RESPONSES/SERVICE GOALS

1. COUNTY shall make its best effort to respond to Priority 1 calls within one hour. Priority 1 calls are defined in Attachment A.
2. COUNTY shall make its best effort to respond with a minimum of 85% efficiency to Priority 2, 3 and 4 calls within 12, 24 and 72 hours respectively. Priority 2, 3 and 4 calls are defined in Attachment A.
3. COUNTY shall make its best effort to increase the percentage of animals that are claimed by their owners and to increase the percentage of animals that are adopted.
4. COUNTY shall make its best effort to decrease the percentage of animals that are euthanized.
5. COUNTY shall make its best effort with assistance from the CITY to increase the per capita rate of licensed dogs.
6. COUNTY shall make its best effort to increase the percentage of licensed dogs that are altered each fiscal year.
7. COUNTY shall make its best effort to ensure that all alterable animals are spayed or neutered prior to adoption from COUNTY shelters.

SECTION 6 JOINT OPERATING AND FINANCIAL PLAN

1. Throughout the term of this Agreement, CITY and COUNTY shall, on a fiscal year basis, prepare a written Joint Operating and Financial Plan for the services to be provided under Sections 3 through 4. The Joint Operating and Financial Plan shall state the total gross cost, estimated revenues and the net cost for the services specified under Sections 3 through 4. The gross cost, estimated revenues and net cost shall be calculated according to paragraphs 2 and 3 of Section 6. CITY shall pay COUNTY the net cost for animal control services provided under this Agreement. The annual written Joint Operating and Financial Plans shall be approved by CITY and COUNTY prior to the beginning of each fiscal year and shall be effective for the applicable fiscal year. The annual Joint Operating and Financial Plan shall be made a part of this Agreement as Attachment B. Successive annual Joint Operating and Financial Plans shall supercede and replace the preceding Joint Operating and Financial Plans. By February 1 of each

fiscal year, COUNTY shall provide CITY a preliminary estimate for the next fiscal year of the gross cost, estimated revenues and net cost for animal control services for the next fiscal year.

2. COUNTY shall calculate on a fiscal year basis the gross cost of providing animal control services to CITY using the 50/50 Costing Methodology as follows: COUNTY shall determine its budgeted fiscal year total cost to provide animal control services to its entire service area, excluding overhead costs that COUNTY would otherwise incur regardless of whether COUNTY provides services to the contract cities. The budgeted fiscal year total cost shall include those indirect costs specified in Federal Circular A-87. One-half of CITY'S gross cost shall be determined by CITY'S proportionate share of ANIMAL SERVICE's total service area population multiplied by one-half of the budgeted fiscal year total cost. The remaining 50% of the gross cost will be calculated based upon CITY'S proportionate share of the prior year's total requests for service received by ANIMAL SERVICES from its entire service area multiplied by one-half of the budgeted fiscal year total cost.

3. COUNTY shall receive and collect throughout the term of this Agreement license and other fees specified under COUNTY'S Animal Control Services Fee Resolution that are paid by residents of CITY. COUNTY will calculate on an annual basis an estimate of the actual amounts expected to be received and collected by COUNTY as payment of license and other fees by residents of CITY. COUNTY shall subtract from the annual gross cost the annual estimated revenues collected within CITY to arrive at an annual net cost. CITY will pay COUNTY the annual net cost for providing animal control services as stated in the annual Joint Operating and Financial Plan. Spay/Neuter Deposit Forfeiture Account funds will be excluded from this calculation and will be allocated according to State law. Any amounts that may be retained by private persons and private and non-profit entities for processing or issuing licenses or for marketing ANIMAL SERVICES' programs and services under Section 4, subdivision F shall be excluded from the calculation of estimated or actual revenues.

4. If at the end of the fiscal year, COUNTY does not collect the annual estimated amount of revenues, CITY shall pay COUNTY the difference between the actual annual amount of revenues collected and the annual estimated amount of revenues within 60 days of written notice of deficiency of revenues from COUNTY. If COUNTY collects revenues in excess of the estimated amount of revenues, COUNTY will refund the excess revenues to CITY within 60 days of written notice of surplus. COUNTY shall provide written notice of surplus or deficiency to CITY within 30 days after the end of each fiscal year. Upon receipt of written notice, CITY may instruct COUNTY to apply excess revenues against future gross cost.

5. CITY shall pay the net cost to COUNTY by making quarterly payments of the total net cost per fiscal year for animal control services rendered pursuant to this Agreement and the approved Joint Operating and Financial Plan. Such payments shall be made by July 15, October 15, January 15 and April 15. Failure to provide payment by the due date shall relieve ANIMAL SERVICES of its obligations to provide animal

control services to CITY. COUNTY shall send CITY an invoice for animal control services 30 days before the quarterly due dates for payment.

6. If payments provided for in Section 6 are not delivered to COUNTY within 45 days of the due date for payment, as stated in paragraph 5 above, COUNTY is entitled to recover interest thereon. Interest shall be calculated at the rate of 10% per annum on any unpaid portion thereof calculated from the last day of the month in which the services were performed.

7. If such payments are not delivered to COUNTY office at the address listed below within 45 days of the due date for payment, COUNTY may offset such indebtedness, including interest thereon, from property tax funds of CITY on deposit with COUNTY in accordance with Government Code 907, as may be amended from time to time.

COUNTY OF SAN DIEGO
DEPARTMENT OF ANIMAL SERVICES
5480 GAINES STREET
SAN DIEGO, CA 92110

8. Failure by COUNTY and/or CITY to approve the annual Joint Operating and Financial Plan prior to the beginning of the fiscal year (July 1), is grounds for termination of this Agreement. Such termination shall be under the same terms and conditions as Section 12, "Termination For Convenience." As such, COUNTY shall continue to provide animal control services for one fiscal year ending the following June 30 under the terms of this Agreement and the last approved Joint Operating and Financial Plan. CITY shall pay COUNTY for animal control services rendered under the terms of this Agreement and the last approved Joint Operating and Financial Plan through the effective date of the termination.

SECTION 7 RECORD KEEPING

1. COUNTY shall keep separate records for CITY in such form and manner as the County Auditor & Controller shall specify. COUNTY shall give CITY, at a minimum, monthly reports of information including impounds, claims, dog licenses sold for altered/unaltered dogs, revenues, requests for services, adoptions and animals euthanized from CITY. The monthly report shall include CITY and regional information.

2. All non-confidential records maintained by COUNTY evidencing animal control services provided to CITY shall be open for copying, examination and audit by CITY during all business hours. COUNTY shall retain these records for a minimum of three years.

SECTION 8
SPAY/NEUTER PROGRAM

1. COUNTY and CITY shall establish a spay/neuter program for CITY. To finance the spay/neuter program, COUNTY, at the sole discretion of the Director, will allocate an amount equivalent to 5% of all license fee revenues collected by COUNTY for deposit into a separate trust fund account ("Spay/Neuter Surcharge Trust Fund"). Funds deposited into or expenditures made from the Spay/Neuter Surcharge Trust Fund shall not be considered in calculating estimated revenues or costs under Section 6.

2. Funds deposited in the Spay/Neuter Surcharge Trust Fund may be used only for encouraging the spaying or neutering of pets owned by residents of CITY. COUNTY shall operate a spay/neuter program or contract with a responsible provider to operate a spay/neuter program for the direct benefit of CITY'S residents. COUNTY and the CITY, with recommendations from the Ad Hoc Committee, as described in Section 13, shall determine how the portion of Spay/Neuter Trust Funds contributed by residents of CITY shall be allocated.

SECTION 9
CITY ASSISTANCE

1. In performing the services pursuant to this Agreement, COUNTY shall have all the powers of CITY and shall receive all cooperation possible from CITY, its officers, agents and employees to enable efficient enforcement of such local and state laws as specified in this Agreement and to effectuate collections called for hereunder.

2. For the purpose of performing animal control services under this Agreement, COUNTY shall furnish and supply all necessary personnel, labor, supervision, equipment and supplies necessary to maintain the level of service to be rendered hereunder. COUNTY will notify CITY of any changes in ANIMAL SERVICE'S executive staff.

3. All persons employed in the performance of such services and functions for CITY pursuant to this Agreement shall be COUNTY employees. No CITY employees shall perform services or functions that COUNTY is obligated to provide under this Agreement. All persons employed by COUNTY to perform the services pursuant to this Agreement shall be entitled solely to the rights and privileges given to COUNTY employees and shall not be entitled, as a result of providing services pursuant to this Agreement, to any additional rights and privileges given to CITY employees.

4. COUNTY is an independent contractor, and no agency relationship, either expressed or implied, is created by the execution of this Agreement.

5. CITY shall not be liable for the direct payment of any salaries, wages or other compensation to any COUNTY personnel performing services hereunder for COUNTY or any liability other than that provided for in this Agreement.

6. Except as specified otherwise, CITY shall not be liable for compensation or indemnity to any COUNTY employee for injury or sickness or any other claims arising out of his or her employment.

7. CITY shall adopt an ordinance identical to, or adopt by reference, the provisions of Chapter 6 and 7, Division 2, Title 6 of the San Diego County Code of Regulatory Ordinances and any amendments to such ordinances and the COUNTY'S most current fee resolution, unless any deviations are specifically agreed to in writing by the Director.

SECTION 10 DEFENSE AND INDEMNIFICATION

1. COUNTY shall defend and indemnify CITY, its agents, officers and employees (collectively, "CITY"), from any claim, action or proceeding against CITY, arising solely out of the acts or omissions of COUNTY in the performance of this Agreement. At its sole discretion, CITY may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve COUNTY of any obligation imposed by this Agreement. CITY shall notify COUNTY promptly of any claim, action or proceeding and cooperate fully in the defense.

2. CITY shall defend and indemnify COUNTY, its agents, officers and employees (collectively, "COUNTY") from any claim, action or proceeding against COUNTY, arising solely out of the acts or omissions of CITY in the performance of this Agreement. At its sole discretion, COUNTY may participate at its own expense in the defense of any such claim, action or proceeding, but such participation shall not relieve CITY of any obligation imposed by this Agreement. COUNTY shall notify CITY promptly of any claim, action or proceeding and cooperate fully in the defense.

3. COUNTY shall defend itself, and CITY shall defend itself, from any claim, action or proceeding arising out of the concurrent acts or omissions of COUNTY and CITY. In such cases, COUNTY and CITY shall retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 5 below.

4. Notwithstanding paragraph 3 above, in cases where COUNTY and CITY agree in writing to a joint defense, COUNTY and CITY may appoint joint defense counsel to defend the claim, action or proceeding arising out of the

concurrent acts or omissions of COUNTY and CITY. Joint defense counsel shall be selected by mutual agreement of COUNTY and CITY. COUNTY and CITY shall share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 5 below. COUNTY and CITY further agree that neither party may bind the other to a settlement agreement without the written consent of both COUNTY and CITY.

5. Where a trial verdict or arbitration award allocates or determines the comparative fault of the parties, COUNTY and CITY may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

SECTION 11 TERMINATION

1. Notwithstanding anything to the contrary herein contained, this Agreement shall be terminated at any time that CITY fails to enact or adopt by reference and to maintain in full force and effect, including the amount of fees provided in the COUNTY's most current fee resolution, an ordinance identical to the provisions of Chapter 6 and 7, Division 2, Title 6 of the San Diego County Code of Regulatory Ordinances, unless any deviations are specifically agreed to by the Director. This Agreement shall also be terminated if COUNTY requests that CITY enact amendments to aid ordinance and such amendments are not made within 90 days of this request.

2. If COUNTY fails to provide animal control services, as required under this Agreement and/or in the Joint Operating and Financial Plan, CITY may provide written notification to COUNTY of such failure to provide services. COUNTY shall be given 30 days from the date of receipt of written notification by CITY to provide the required animal control services. If COUNTY fails to provide such services after 30 days from receipt of written notification, CITY may terminate this Agreement upon 30 days additional written notice.

3. In the event of termination under Section 11, CITY shall pay COUNTY on a prorated basis for animal control services rendered consistent with this Agreement and the Joint Operating and Financial Plan through the date of termination.

SECTION 12 TERMINATION FOR CONVENIENCE

1. CITY acknowledges that in order to provide animal control services pursuant to this Agreement, COUNTY must conduct long range planning for funding, new shelter development and staff requirements. Therefore, notwithstanding any other section or provision of this Agreement, either party may terminate this Agreement by giving a one-year advance written notice of intention to terminate.

SECTION 13
AD HOC COMMITTEE

1. COUNTY shall form an Ad Hoc Committee consisting of a representative from each of the cities to which COUNTY provides animal control services by contract. Each member of the Ad Hoc Committee shall have the opportunity to provide input regarding animal control services, future fees and fee changes.

SECTION 14
FUNDING BY CITY

1. If CITY fails to appropriate funds for this Agreement, such action shall not be considered a breach of this Agreement. Under no circumstances shall CITY fail to appropriate funds for this Agreement for the purpose of obtaining animal control services from another provider or to establish its own animal control services department without providing COUNTY with one year notification as specified in Section 12.

SECTION 15
CONTRACT ADMINISTRATION

1. COUNTY designates the Director or his/her designated representative to represent COUNTY in all matters pertaining to the administration of this Agreement.
2. CITY designates its City Manager or designated representative to represent CITY in all matters pertaining to this Agreement on behalf of CITY.
3. Any notice or notices provided for by this Agreement or by law to be given or served upon COUNTY may be given or served in person or by letter deposited in the United States mail, postage prepaid and addressed to:

DIRECTOR OF ANIMAL SERVICES
5480 GAINES STREET
SAN DIEGO, CA 92110

4. Any notice or notices provided for by this Agreement or by law to be given or served upon CITY may be given or served in person or by letter deposited in the United States mail, postage prepaid and addressed to:

ALLEGRA PAJOT
1401 BROADWAY, MS 715
SAN DIEGO, CA 92101-5729

5. The parties acknowledge that CITY is required by the San Diego Municipal Code and City Council policies to incorporate certain contractual provisions into all CITY contracts. The contractual provisions are included in the "City of San

Diego Contract Requirements," attached hereto as Attachment C and incorporated by reference herein.

IN WITNESS WHEREOF, CITY, by resolution duly adopted by its City Council, has approved the execution of this Agreement by its City Manager, and COUNTY, by order of its Board of Supervisors, has approved the execution of this contract by the Clerk of the Board of Supervisors of the County of San Diego, this ____ day of _____, 20__.

CITY

COUNTY OF SAN DIEGO

By: _____

By: _____
Director of Animal Services

Approved as to form and legality

Approved as to form and legality
County Counsel

By: _____
City Attorney

By: _____
Senior Deputy

ATTACHMENT A

COUNTY OF SAN DIEGO DEPARTMENT OF ANIMAL SERVICES RESPONSE PRIORITY LEVELS

TYPE OF SERVICE	RESPONSE PRIORITY LEVEL	
	IN PROGRESS	NOT IN PROGRESS
Threatening Dangerous Animal	1	3
Possible Rabid/Biter Animal	1	3
Major Injury to Animal	1	3
Threat from Wild Animal	1	3
Cruelty	1	3
Animal Inside Vehicle	1	3
Fighting Animals	1	3
Dogs harassing Livestock	1	3
Sick/Minor Injury Animal	2	3
Animal Welfare	2	3
Isolation of Biting Animal for Rabies Examination	3	N/A
Confined Stray Animal	3	N/A
Relinquished Animal	3	4
Restraint of Animal	3	4
Wild Animal	3	4
Misc. Patrol Services	3	4

PRIORITY LEVEL	RESPONSE GUIDELINES
LEVEL 1	First priority; response objective is within one hour. Officer responds before all lower priority calls.
LEVEL 2	Second Priority; response objective is within 12 hours of receipt.
LEVEL 3	Third Priority; response objective is within 24 hours of receipt.
LEVEL 4	Fourth Priority; response objective is within 72 hours of receipt.

ATTACHMENT B

City of San Diego
Contract Animal Control Services Program
Joint Operating and Financial Plan
Fiscal Year 2008-09

This Joint Operating and Financial Plan made and agreed to for the period beginning July 1, 2008 and ending June 30, 2009, by and between the City of San Diego and the County of San Diego shall become a part of the Agreement between said parties.

The County of San Diego shall provide animal control services to San Diego as specified in Sections 3 through 5 of the Agreement. The gross cost of providing animal control services to San Diego for fiscal year 2008-09 shall be \$8,401,400. The County shall collect license and other fees, as specified under the County's Animal Services Fee Resolution within San Diego. For fiscal year 2008-09, the estimated revenue amount to be collected within San Diego is \$1,525,800. After deducting estimated revenues from gross cost, San Diego shall pay County the net amount of \$6,932,600, which includes the amount of \$57,000 to finance the spay/neuter program as provided for in Sections 6 and 8 of the Agreement. San Diego shall pay County in quarterly payments as specified in Section 6, paragraph 5 of the Agreement.

As approved:

CITY OF SAN DIEGO

COUNTY OF SAN DIEGO

By: _____
Mayor

By: _____
Director of Animal Services

Approved as to form and legality

Approved as to form and legality
County Counsel

By: _____
City Attorney

By: _____
Senior Deputy

ATTACHMENT C

City of San Diego Contract Requirements. To the extent appropriate in light of the rights and duties specified in this Agreement, the following requirements shall apply:

1. **Drug-Free Workplace.** The COUNTY agrees to comply with the City's Drug-Free Workplace requirements set forth in Council Policy 100-17, adopted by San Diego Resolution R-277952 and incorporated into this Agreement by this reference.

2. **ADA Certification.** The COUNTY hereby certifies that it agrees to comply with the City's Americans With Disabilities Act Compliance/City Contracts requirements set forth in Council Policy 100-04, adopted by San Diego Resolution R-282153 and incorporated into this Agreement by this reference.

3. **Non-Discrimination Requirements.**

3.1 **Compliance with the City's Equal Opportunity Contracting Program.** The COUNTY shall comply with the City's Equal Opportunity Contracting Program Contractor Requirements. The COUNTY shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The COUNTY shall provide equal opportunity in all employment practices. The COUNTY shall ensure that its Subcontractors comply with the City's Equal Opportunity Contracting Program Contractor Requirements. Nothing in this Section shall be interpreted to hold the COUNTY liable for any discriminatory practice of its Subcontractors.

3.2 **Non-Discrimination Ordinance.** The COUNTY shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of Subcontractors, vendors or suppliers. The COUNTY shall provide equal opportunity for Subcontractors to participate in subcontracting opportunities. The COUNTY understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, and other sanctions. This language shall be in contracts between the COUNTY and any Subcontractors, vendors and suppliers.

3.3 **Compliance Investigations.** Upon the City's request, the COUNTY agrees to provide to the City, within sixty calendar days, a truthful and complete list of the names of all Subcontractors, vendors, and suppliers that the COUNTY has used in the past five years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by the COUNTY for each subcontract or supply contract. The COUNTY further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance [San Diego Municipal Code sections 22.3501-22.3517.] The COUNTY understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in remedies being ordered against the COUNTY up to and including contract termination, debarment, and other sanctions for

violation of the provisions of the Nondiscrimination in Contracting Ordinance. The COUNTY further understands and agrees that the procedures, remedies and sanctions provided for in the Nondiscrimination Ordinance apply only to violations of said Nondiscrimination Ordinance.